GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:5824
ANSWERED ON:17.05.2007
FREEDOM OF OIL PSUS TO HIRE TANKERS
Adhalrao Patil Shri Shivaji;Verma Shri Ravi Prakash

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Union Government has given freedom to Oil PSUs to hire tankers on their own for importing crude oil;

(b) if so, the details thereof;

(c) whether the freedom on hiring vessels is likely to help the Oil PSUs to lower their sea freight bill; and

(d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DINSHA PATEL)

(a) to (d) Yes, Sir. The Government on 29.03.2007 have approved the following :

(i) continuance by Indian Oil Corporation Ltd (IOCL) of the system of direct chartering of ships without going through TRANSCHART;

(ii) Bharat Petroleum Corporation Ltd and Hindustan Petroleum Corporation Ltd may charter ships for oil imports directly, instead of going through TRANSCHART;

(iii) All the companies would follow all applicable regulations relating to hiring of ships including those relating to the Indian flag and shipping on FOB basis.
The system of direct chartering by IOCL has generally worked efficiently and satisfactorily during the last one year.